DOCUMENT RESUME

ED 025 603 VT 005 842

Annual Vacations and Vacation Laws: Recent Developments in the United States and Abroad. A Report Prepared for the Select Subcommittee on Labor.

Congress of the U.S., Washington, D.C. House Committee on Education and Labor.
Pub Date Mar 67
Note- 38p.
EDRS Price MF-$0.25 HC-$2.00
Descriptors- Economic Research, *Employer Attitudes, *Employment Practices, *Federal Legislation, *Foreign Countries, Industry, Labor Laws, *Leave of Absence, Program Planning, Working Hours
Identifiers- Committee on Education and Labor, House of Representatives, Select Subcommittee on Labor

The paid annual vacation is now the rule rather than the exception in conditions of employment in the United States. Collective bargaining and unilateral decisions by employers have increased the length of paid annual vacations and reduced qualifying periods of employment for millions of workers. In recent years the 4-week annual vacation has become the ultimate reward of long-service employees and the 3-week vacation has replaced the 2-week vacation. However, there is much reluctance to extend these rewards to other than long-service employees. Statistical data on which to base firm vacation-cost estimates are not available presently. The employer's desire to keep down costs is the most plausible explanation for not expanding vacation benefits to more workers. But universal 3-week annual vacations for full time employees would approximate the increased cost, per employee hour worked, which is regularly negotiated or granted unilaterally with unions. Vacation developments in Austria, Belgium, Denmark, Finland, France, Western Germany, Great Britain, Ireland, Italy, the Netherlands, Norway, Sweden, Switzerland, Australia, New Zealand, and Canada are summarized. (EM)

C1

[COMMITTEE PRINT]

ANNUAL VACATIONS AND VACATION LAWS: RECENT DEVELOPMENTS IN THE UNITED STATES AND ABROAD.

A REPORT PREPARED FOR THE
SELECT SUBCOMMITTEE ON LABOR.

COMMITTEE ON EDUCATION AND LABOR.
HOUSE OF REPRESENTATIVES.
NINETIETH CONGRESS
FIRST SESSION.

U.S. DEPARTMENT OF HEALTH, EDUCATION & WELFARE
OFFICE OF EDUCATION

ED025603
VT005842

MARCH 1967

THIS DOCUMENT HAS BEEN REPRODUCED EXACTLY AS RECEIVED FROM THE PERSON OR ORGANIZATION ORIGINATING IT. POINTS OF VIEW OR OPINIONS STATED DO NOT NECESSARILY REPRESENT OFFICIAL OFFICE OF EDUCATION POSITION OR POLICY.

Printed for the use of the Committee on Education and Labor
CARL D. PERKINS, *Chairman*

U.S. GOVERNMENT PRINTING OFFICE
75-202 WASHINGTON : 1967

COMMITTEE ON EDUCATION AND LABOR

CARL D. PERKINS, Kentucky, *Chairman*

EDITH GREEN, Oregon
FRANK THOMPSON, JR., New Jersey
ELMER J. HOLLAND, Pennsylvania
JOHN H. DENT, Pennsylvania
ROMAN C. PUCINSKI, Illinois
DOMINICK V. DANIELS, New Jersey
JOHN BRADEMAS, Indiana
JAMES G. O'HARA, Michigan
HUGH L. CAREY, New York
AUGUSTUS F. HAWKINS, California
SAM GIBBONS, Florida
WILLIAM D. FORD, Michigan
WILLIAM D. HATHAWAY, Maine
PATSY T. MINK, Hawaii
JAMES H. SCHEUER, New York
LLOYD MEEDS, Washington
PHILLIP BURTON, California

WILLIAM H. AYRES, Ohio
ALBERT H. QUIE, Minnesota
CHARLES E. GOODELL, New York
JOHN M. ASHBROOK, Ohio
ALPHONZO BELL, California
OGDEN R. REID, New York
EDWARD J. GURNEY, Florida
JOHN N. ERLENBORN, Illinois
WILLIAM J. SCHERLE, Iowa
JOHN DELLENBACK, Oregon
MARVIN L. ESCH, Michigan
EDWIN D. ESHLEMAN, Pennsylvania
JAMES C. GARDNER, North Carolina
WILLIAM A. STEIGER, Wisconsin

ED025603

LETTER OF TRANSMITTAL

JANUARY 27, 1967.

Hon. CARL D. PERKINS,
Chairman, Committee on Education and Labor,
House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: Transmitted herewith is a report done for the Select Subcommittee on Labor entitled "Annual Vacations and Vacation Laws: Recent Developments in the United States and Abroad."

This report has been prepared by Dr. R. E. L. Knight of the Department of Economics, University of Maryland (and director of the subcommittee from September 1964 to September 1965), and Dr. James R. Wason, Economics Division, Legislative Reference Service, Library of Congress.

Recent efforts to reduce the working hours of American workers have been focused on only one option—the shorter workweek. Among these efforts, as you know, were the extensive hearings held by the select subcommittee between June and December 1963 on the subject of hours of work. But increasingly, I have come to believe that careful consideration should be given to all—not just one or two—of the major options available to us with respect to a reduction in working hours. Such an option may be the paid annual vacation.

With this in mind and as a start in this direction, on October 13, 1965, I introduced a measure to amend the Fair Labor Standards Act of 1938, to provide covered employees with entitlement to paid vacations of 3 weeks for each full year of regular employment. As far as I could ascertain, no other such legislation had been introduced in the House in recent years. This report, which grew out of that bill, explores in depth the effects that legislation requiring paid annual vacations may have in the United States. In addition, the report demonstrates what 16 countries have done in the area of paid annual vacations.

I would hope this report can be printed as a committee print for the information of members.

With kind regards, I am,

Sincerely,

ELMER J. HOLLAND,
Chairman, Select Subcommittee on Labor.

FOREWORD

The paid annual vacation that is taken for granted by millions of American workers today is a relatively modern development in the economic history of the United States.

But its acceptance has spread so rapidly that now it is the exception rather than the rule that the paid annual vacation is not an integral condition of employment. Moreover, the tendency has been toward lengthening of the paid vacation period—from 1 week to 2 weeks to 3 weeks until, at present, the 4-week vacation is not at all unusual.

In the same manner, the workweek and the workday have steadily shrunk—from the 12- or 14-hour day of the last century to the 10-hour day to the 8-hour day, and so on downward. The pressure on the old standard 40-hour week grows steadily each year.

This report, prepared for the Select Subcommittee on Labor during the 89th Congress, is a careful examination of a question being given increasing attention by individual employees, by the business community, by labor, and by Government economists and policy planners: Should our efforts be directed toward further shortening of the workday or workweek, or toward lengthening the paid annual vacation?

The report is a valuable contribution to the literature of this field, and the information it contains will be useful to the Committee on Education and Labor and to the entire Congress as events continue to unfold.

CARL D. PERKINS,
Chairman, Committee on Education and Labor.

ANNUAL VACATIONS AND VACATION LAWS: RECENT DEVELOPMENTS IN THE UNITED STATES AND ABROAD

SHORTER WORKING HOURS—THE OPTIONS AVAILABLE

During 1963 the Select Subcommittee on Labor, under the chairmanship of Representative Elmer J. Holland, conducted lengthy hearings on the subject, "Hours of Work"—the most extensive, thorough congressional hearings on this specific subject since the passage of the Fair Labor Standards Act of 1938. In one of the many statements by experts contained in the two printed volumes of these hearings, Prof. A. J. Jaffe, of Columbia University, provocatively summed up for the subcommittee the opportunity before the American people and his view of the principal choices of methods for exploiting it. Professor Jaffe said:

> In the future we can count on labor productivity to continue to grow at 3 percent per year—more or less—over the decade. Therefore, I suggest that we could decrease the length of the workyear by 1 percent per year, or 10 percent over the decade * * *.
>
> Should we have a shorter workweek or a shorter workyear? Do workers prefer to work 35 hours a week for 49 or 50 weeks in the year, thus having only a 2- or 3-week vacation? Or do they prefer working a 40-hour workweek and working only 43 or 44 weeks in the year, so that they can have 8 or 9 weeks vacation with pay? Either time schedule will produce the same amount of goods and services during the course of the year * * *. Whether the number of hours is reduced per week or the number of weeks reduced per year, without in either case reducing the take-home pay, the same economic consequences should ensue * * *.
>
> I prefer the 40-hour week and longer vacations. What the cross section of the American working force may prefer, I do not know; to the best of my knowledge, no study has ever been made of a cross section of American workers on this question.[1]

The question proposed by Professor Jaffe was: "Should we have a shorter workweek or a shorter workyear?" Actually, the two are not mutually exclusive. The fundamental choice is of the extent to which Americans wish to take the benefits of rising productivity partly in the form of additional leisure time, rather than wholly in the form of increased output of goods and services. The secondary choice is of the manner in which such additional leisure time shall be distributed. Americans can decide to reduce the standard workday, or to reduce

[1] "Hours of Work," hearings before the Select Subcommittee on Labor of the Committee on Education and Labor, House of Representatives, 88th Cong., 1st sess., 1963, pp. 728–729, 732.

the number of workdays in the year—or to reduce both. There is no necessity at all to choose one alternative and completely forego the other. The progressive reduction of working hours in the United States has, in fact, come through a combination of the shorter workday and the shorter workyear. In the latter part of the 19th century the 12-hour day and 72-hour week were common, while the paid annual vacation was virtually unknown. Now the 8-hour day and 40-hour week are standard, the 2-week paid annual vacation has been extended to most workers, and a growing minority of long-service workers receive 3 or more weeks of annual vacation.

Though the continuing decrease in the annual number of workdays has been an important element in the long-term reduction in hours of work, it has not—in the United States to date—received much legislative attention. In the years since 1938, when Congress enacted the Fair Labor Standards Act, proposed legislation has repeatedly been introduced to lower the workweek below the standard 40 hours. Especially in recent years, a persistent debate has been carried on over the desirability of further reducing worktime by congressional enactment. This debate has focused almost entirely on the length of the workweek—on proposals to cut the FLSA standard to 37.5, 35, or 32 hours, and to deter the working of hours in excess of the standard workweek by raising the FLSA overtime premium rate from one and one-half to two times the regular hourly wage. Surprisingly few of the participants in this debate have given explicit consideration to the possibility of reducing working hours, on an annual basis, through Federal legislation to require substantial annual paid vacations for all employees covered under the Fair Labor Standards Act.

By its lack of legislative action, so far, to establish an annual paid vacation standard, the United States is in a position quite in contrast to that of many other advanced, industrialized nations. Abroad, labor laws commonly require employers to provide a minimum term of annual vacation to their workers. Public concern, as expressed through legislation, is not confined to the length of the workday and workweek, but extends to the worker's interest in being assured a substantial period of release each year from his regular work routine—however long or short each individual workday may be.

Since working hours in the United States will undoubtedly continue to be reduced in the future—and since other major nations have chosen to make the paid annual vacation a formal legal obligation—it is appropriate that American policymakers should give more serious attention than in the past to the extended annual vacation as an important means for distributing the benefits of reduced working time to our citizens.

This report, therefore, will present the facts and issues which appear most relevant to the making of an informed decision on the merits of requiring employers, by Federal law, to give paid annual vacations to their employees. The report will examine the current status of vacations in American private industry and the problems involved in expanding the numbers of workers who actually receive vacations and in lengthening the average period of vacation received. It will also present an analysis of the policies now being followed by leading nations of Western Europe and the British Commonwealth with respect to requiring paid vacations by law. This analysis of vacation legislation abroad will highlight the importance that other nations

have ascribed to guaranteeing vacations for their workers and will also provide insights concerning the ways in which these nations have dealt with the issues that must be considered when compulsory vacation laws are enacted.

PAID ANNUAL VACATIONS—CURRENT STATUS IN THE UNITED STATES

No satisfactorily comprehensive information is available on the current status of paid annual vacations in the United States. A highly accurate estimate cannot be made of the number of American workers entitled to receive paid vacations upon meeting minimum length-of-employment requirements, or of the number of workers who actually do take such vacations in a given year. Nor can a precise tabulation be made of the numbers of workers entitled to vacations of specific lengths—1 week, 2 weeks, 3 or more weeks. Moreover, there is a wide range of variation among vacation plans with respect to minimum and maximum weeks of vacation provided and the periods of employment required to qualify for vacations of different lengths. This diversity defeats any effort to embrace current American vacation practices in a very brief capsule description.

Despite the absence of comprehensive and precise data, however, there is no doubt that today paid annual vacation plans cover the great majority of nonagricultural workers, blue collar as well as white collar. The expansion of coverage—which began in the middle 1930's and accelerated sharply during World War II—has now proceeded so far that future additions to the total paid vacation time of American workers will come primarily from liberalization of existing vacation plans rather than from introduction of vacations into the relatively few industries where they are not yet customary. Indeed a strong trend of liberalization of vacation plans has been a pronounced feature of the postwar period. Both through collective bargaining and unilateral decisions by employers, paid annual vacations have been lengthened and qualifying periods of employment reduced for millions of workers in recent years.[2]

A rapid survey of the growth of vacations in the United States will help to place our current practices in perspective. It will also highlight the relative importance of the past three decades in the overall historical development of paid vacations.

Growth of Coverage

Originally, American employers viewed the paid annual vacation as a privilege appropriate only for the worker of white-collar status. A few business firms began to grant vacations to some of their salaried employees more than 100 years ago, and by 1900 a large minority—though still a minority—of the white-collar workers in private industry were entitled to annual vacations. It was not until approximately 1910, however, that a few pioneering firms extended the vacation benefit to a handful of long-service blue collar workers.[3]

[2] This statement is generally applicable throughout the private sector of the American economy. For Federal civil servants, however, the postwar movement was against the mainstream. Before 1951, classified employees of the Federal Government were entitled to a standard annual leave of 26 days. But in 1951 the Congress enacted legislation restricting annual leave to 13 days for employees with less than 3 years' service and 20 days for those with 3 but less than 15 years. Only those with 15 or more years of service were left entitled to the traditional 26-day vacation. This 1951 law, coupled with the rapid liberalization of vacation provisions in private industry, has greatly reduced the differential advantage of Federal employment with respect to the vacation fringe benefit.

[3] Allen, Donna, "Fringe Benefits: Wages or Social Obligation?" Cornell University Press, 1964, pp. 42, 51.

Their example was not widely imitated. Coverage of salaried workers under vacation plans continued to grow much more rapidly than coverage of manual wage earners. A careful survey in the mid-1920's found about 200 American manufacturing firms—a very small fraction of the total—that granted paid vacations to their blue-collar workers.[4] There was a gradual further extension of vacations to wage earners in the late 1920's but the great crash of 1929 and the ensuing depression held back the movement toward wider coverage. By 1935, it was estimated that only about 10 percent of manufacturing firms had established vacation plans for their hourly paid blue-collar workers. In sharp contrast, about 80 percent of these firms had such plans for their salaried employees.[5]

From 1935 on, however, the status gap between white-collar workers and blue-collar workers with respect to the paid vactation benefit narrowed abruptly. By 1937 the U.S. Bureau of Labor Statistics reported that the number of vacation plans covering wage earners was triple the number existing in 1934.[6] The main factors responsible for this sudden flowering of vacation plans were undoubtedly the rapid growth of union membership in the mid-1930's and the New Deal legislation, particularly the Wagner Act of 1935, which encouraged and protected union organizing efforts. Many employers instituted paid vacations for their blue-collar workers in the possible hope that this benevolence would help to allay unrest among their workers and immunize them from the appeals of union organizers.

By the end of 1940, vacation plans had spread sufficiently that they were estimated to cover about 50 percent of nonagricultural manual wage earners.[7] Then the entry of the United States into World War II precipitated a surge of growth in coverage. Between early 1942 and the middle of 1945, the War Labor Board approved the creation of vacation plans in firm after firm whose hourly paid workers had never before received this benefit. While it held the line reasonably firmly against direct wage increases in wartime, the WLB was willing to allow certain fringe benefits—even though they involved supplemental labor costs—to spread widely through American industry. Unions responded accordingly, in framing their bargaining strategies. As a leading authority on World War II labor negotiations has put it:

> The unions * * * pressed for vacations in collective bargaining with an eye to what was allowable under Government controls. In the final analysis, it was the wartime economic policies of the Government, in restricting wage increases but permitting fringe benefits, that provided the motivation and the WLB that provided the machinery, by which the unions extended vacations to the rest of American workers.[8]

When the war was over, not a great deal of room was left for further extension of vacation coverage. At the end of 1945, more than 90 percent of nonagricultural hourly wage earners were estimated to be employed by firms including them in paid vacation plans.[9]

---

[4] Mills, Charles M., "Vacations for Industrial Workers," Ronald Press Co., 1927, p. 33.
[5] Allen, op. cit., p. 51.
[6] U.S. Bureau of Labor Statistics, "Vacations With Pay in Industry, 1937," Bulletin R-903. Government Printing Office, 1939, p. 8.
[7] Allen, op. cit., p. 75.
[8] Allen, op cit., p. 125.
[9] Allen, op. cit., p. 103.

Liberalization of Vacation Plan Provisions

During the two decades that have passed since the end of World War II, the primary thrust in the continuing development of the paid vacation as a fringe benefit has shifted from extension of coverage to improvement of the terms on which vacations are provided American workers. The terms most prevalent today are in striking contrast to those typical in the vacation plans of 20 to 30 years ago.

In 1940 the majority of those collective bargaining agreements which contained a paid vacation plan provided for a maximum vacation of no more than 1 week—regardless of a worker's length of service with his employer.[10] But, during World War II, the War Labor Board generally adhered to a more liberal two-step formula in its decisions concerning vacation plans. The WLB commonly prescribed 1-week of annual vacation for employees of at least 1 year's standing and 2 weeks for those with 5 or more years of service.[11] The 2-week annual vacation, considered for years to be the "standard" vacation, was thus a benefit that had come to be possessed by great numbers of medium-to-high seniority wage earners at the close of the war.

In the early postwar years, the annual paid vacation was a prominent subject of union-management negotiations—relatively more prominent then than it has been in the 1950's and 1960's, when collective bargaining has focused so heavily upon fringe benefits as pensions, health insurance, and severance pay. In 1947–48 union negotiators began making progress toward lengthening the maximum vacation period beyond the 2-week standard laid down by the War Labor Board's decisions in 1942–45. By 1949, a large number of collectively bargained vacation plans provided a 3-week annual vacation for workers with 10 years of service. Moreover, the eligibility requirement for a 2-week vacation was now being whittled down in many plans from 5 years of service to 2.[12]

These two liberalizing trends—toward longer periods of vacation and shorter periods of employment required for eligibility—have continued from the first years after World War II up to the present. They have caused the great majority of vacation plans to be revised, many of them repeatedly, in this 20-year period. Progressive liberalization has characterized not only the vacation plans under collective bargaining agreements, but also those maintained unilaterally by employers. As in the case of wage increases, it is impossible to measure the extent to which widespread union success in negotiating improved vacation plans has been responsible for decisions by nonunion employers to grant better vacation terms to their workers. But most nonunion firms would undoubtedly have found it difficult, if not impossible, to maintain the status quo with respect to vacations, in the face of the marked changes that occurred in vacation plans covering unionized workers.

The extensive postwar liberalization of vacation provisions has proceeded steadily but undramatically, and has attracted far less attention and discussion than the developments in retirement plans, health insurance, and other fringe benefits that were virtually unknown for manual workers before the war. The cumulative impact of the vacation movement, however, has been very substantial. This im-

[10] Henle, Peter, "Recent Growth of Paid Leisure for U.S. Workers," Monthly Labor Review, March 1962, p. 253.
[11] Allen, op. cit., p. 113.
[12] Allen, op. cit., p. 156.

pact was noted in a detailed study conducted several years ago by Peter Henle, of the U.S. Bureau of Labor Statistics. Henle estimated that the number of full weeks of paid annual vacation actually taken by American workers rose by more than 50 percent from 1948 to 1960, while the civilian labor force grew only 15 percent.[13] According to his calculations, division of the estimated number of full weeks of vacation by the average level of civilian employment during the year yielded an average of 0.9 weeks of vacation per employed person for 1948, and 1.3 weeks for 1960.[14] Though a high degree of precision cannot be claimed for these figures, they indicate beyond question, that there has been an impressive postwar increase in the length of vacation typically enjoyed by those workers who do take a paid vacation during the course of a year.

Henle's study also pointed up the relative contribution made by the growth and liberalization of paid vacations to the long-term increase in leisure time in the United States. Comparing the years 1940 and 1960, he estimated that in 1960 American workers received approximately 10 billion more hours of leisure time than would have been theirs had there been no changes since 1940 in average weekly working hours, paid annual vacations, or paid holidays. In summarizing the trends of this 20-year period, he concluded:

> There was no major shift in the standard workweek. Perhaps the most significant development was that more than half the total gain in paid leisure resulted from increased vacation and holiday time, rather than from a reduction in working hours. This is a definite shift from the pattern of earlier years and seems to indicate that leisure time preferences are leaning more to additional whole days each year rather than additional minutes each day.[15]

Writing in 1962, he predicted that "Providing a greater number of days off seems likely to continue to receive greater emphasis than reducing the time spent each day at work." [16]

Vactions of 3 Weeks or Longer

With the 2-week annual vacation having become commonplace, for manual as well as white-collar workers, by the end of World War II, the most striking postwar movement has been the progressive displacement of the 2-week maximum by longer periods of vacation. The largest scale surveys of vacation practices that have been made in recent years emphasize the growing importance of the annual vacation of 3 or more weeks.

The series of postwar studies by the Bureau of Labor Statistics of paid vacation provisions in "major" union contracts—those covering 1,000 or more workers each—illuminates the trend toward longer vacations. In 1949, approximately 33 percent of the graduated [17] vacation plans contained in these major contacts provided a maximum vacation, for long-service workers, of more than 2 weeks. By 1952 the proportion of plans with maximum vacation periods of 3 weeks or more had grown to 50 percent. By 1957, these plans were in the overwhelming

[13] Henle, op. cit., p. 256.
[14] These calculations are, of course, statistical averages and do not mean that the typical American worker received 0.9 weeks of vacation in 1948 and 1.3 weeks in 1960. The total number of persons in the civilian labor force at some time or another in any year is well above the average level for the year, and a substantial—though unknown—proportion of this total is not in the labor force or in the service of one employer long enough during the year to qualify for a vacation.
[15] Henle, op. cit, p. 257.
[16] Henle, op. cit., p. 257.

majority, constituting 84 percent of the total. And, in the Bureau's 1961 survey,[18] 92 percent of the plans provided a maximum of 3 weeks or more.[19] Postwar collective bargaining has thus swept away the onetime standard 2-week vacation.

The Bureau of Labor Statistics' surveys of terms of employment of workers, union and nonunion, in a wide range of industries in our major metropolitan areas show the pervasiveness of the postwar movement toward longer vacations. Within less than 10 years after the war, by 1952–53, approximately 71 percent of the office-workers and 58 percent of the plantworkers in the establishments surveyed in 18 of the country's largest metropolitan areas were under vacation plans which provided a maximum vacation of 3 weeks or more. By 1961–62, in these 18 metropolitan areas, the proportions had risen to 92 percent for officeworkers and 84 percent for plantworkers.[20]

The overwhelming abandonment of the old 2-week maximum standard vacation by large American business firms is documented by the National Industrial Conference Board's most recent study, published in 1965, of paid leisure time. The NICB surveyed the annual vacation plans of approximately 930 of our largest corporations, in six industrial sectors—manufacturing, public utilities, banking, insurance, wholesale trade, and retail trade. Of these, about 93 percent provided maximum vacations of 3 weeks or longer. The proportions ranged from 78 percent in wholesale trade to 98 percent in both manufacturing and public utilities.[21] While a broader sampling of American business firms, including small as well as large, would undoubtedly have shown a lower percentage providing maximum vacations of 3 or more weeks, the vacation practices currently prevailing in large corporations are particularly significant, since they blaze the path which smaller employers inevitably will feel pressure to follow.

The 4-Week Maximum Vacation

So far, the data presented have described the general growth of plans which specify a maximum vacation period of at least 3 weeks. In recent years a major aspect of this growth has been the rapid spread of the 4-week annual vacation as the ultimate reward of long-service employees. This development has been proceeding at such a pace that the majority of American workers in private industry can reasonably be expected, within a few years, to be covered by plans that hold out to them the promise of a 4-week annual vacation—if they remain long enough on the payroll of one employer.

Provision for a vacation period of as much as 4 weeks was almost unknown in the collective bargaining agreements negotiated in the early postwar years, as indicated by the Bureau of Labor Statistics'

[17] A "graduated" vacation plan is one in which the length of a vacation increases, in one or more steps, as the employee's years of service increase. Virtually all "major" union contracts outside the construction industry provide vacation plans, and of these over 90 percent are "graduated" plans.

[18] This 1961 BLS survey analyzed approximately 1,700 such "major" contracts, covering a total of nearly 7.5 million workers. These 7.5 million constituted around 45 percent of all American workers covered by collective bargaining agreements in 1961.

[19] U.S. Bureau of Labor Statistics, "Paid Leave Provisions in Major Contracts, 1961," Bulletin 1342, Government Printing Office, 1962, p. 2.

[20] A broader BLS survey for the same period, 1961–62, covering 80 metropolitan areas, found 87 percent of officeworkers and 76 percent of plantworkers under vacation plans with a 3-week or greater maximum. Since the major metropolitan areas, as a group, are consistently pace setters in the improvement of wages and fringe benefits, an 80-area survey would be expected to show a somewhat lower average level of vacation benefits than a survey confined to 18 of the largest areas.

[21] National Industrial Conference Board, "Time Off With Pay," studies in personnel policy, No. 196, 1965.

1949 survey of paid leisure time provisions in major union contracts. By 1952, however, the 4-week maximum had won a small beachhead, which would prove to be rapidly expandable. The 1952 Bureau of Labor Statistics survey of major union contracts showed that 4 percent of those containing graduated vacation plans specified a maximum vacation of 4 weeks.[22] In the next 5 years, this percentage leaped up dramatically. In the 1957 BLS survey of major contracts, 20 percent of the graduated vacation plans provided a 4-week maximum. And, within 4 more years, the proportion doubled. By 1961, the 4-week maximum vacation was incorporated into 43 percent of the graduated vacation plans established in major union contracts.[23] Thus, in a dozen years—from 1949 to 1961—the collectively bargained 4-week vacation rose from virtual nonexistence to a position from which it promised soon to become a feature in the majority of major union contracts.

The BLS survey of wages and fringe benefits in 18 of the largest metropolitan areas confirm, for a broad sample of unionized and nonunion firms, the same trend shown in the major collective bargaining agreements. The BLS survey for 1952–53 found 7 percent of plantworkers and 19 percent of officeworkers under vacation plans with a 4-week maximum. Nine years later, the 1961–62 survey of these 18 metropolitan areas showed a sharp increase in these proportions—to 32 percent for plantworkers, and 47 percent for officeworkers.[24] While the 4-week maximum has spread rapidly among both categories, the relative gain had been greater for plantworkers—reflecting the steady erosion of the old status differential between white- and blue-collar workers with respect to vacation benefits.

The increasing adoption of the 4-week vacation by large American corporations is emphasized by the National Industrial Conference Board in its 1965 publication reporting on vacation practices in over 900 firms. "Perhaps the most important development in corporate vacation programs over the past decade," the NICB states, "has been the marked trend to a 4-week maximum. In a 1956 Conference Board survey, only 15 percent of the manufacturers provided a 4-week vacation, while two-thirds of the manufacturers in the current study do so."[25] Of the 930 corporations surveyed in the 1965 study, 554—approximately 60 percent—had vacation plans with a 4-week maximum.[26] By industry sectors, the proportions ranged from 26 percent of the firms in wholesale trade to 83 percent of the public utility corporations.

Eligibility Requirements for Vacations of 3 or More Weeks

As the preceding discussion shows, the 3-week vacation has thoroughly displaced the 2-week as the prevailing maximum in vacation plans—and, in turn, the 4-week maximum now appears to be well on its way to displacing the 3-week limit. However, the fact that a

[22] U.S. BLS Bulletin 1342, p. 2. (Same reference as for footnote No. 19.)
[23] Idem, pp. 1-3.
[24] "Hours of Work," hearings before the select subcommittee * * *, p. 90. (Same reference as for footnote No. 1.)
[25] National Industrial Conference Board, op. cit.
[26] More precisely, 540 corporations specified a 4-week maximum, while 14 provided a maximum vacation of 5 weeks or more. This recent NICB study thus indicates that only a very small fraction of business firms—even in a group whose average level of vacation benefits is higher than that of the mass of employers—has yet ventured beyond the 4-week maximum. Evidence to the same effect is provided by the latest BLS survey of major collective bargaining agreements, which found only ½ of 1 percent of workers covered by these agreements under vacation plans which provided a maximum vacation in excess of 4 weeks. While the shift of vacation plans from a 3- to a 4-week maximum may well continue at the substantial pace, it appears unlikely that there will be a widespread movement to break the 4-week limit in the near future.

large majority of the employees in American business firms are covered by plans providing maximum vacations of 3 weeks or more should not be interpreted as evidence that a majority—or even a very large minority—of American workers actually receive 3- or 4-week vacations in any year. Eligibility for such vacations is usually attained only by years of service with one employer. In most firms, therefore, a notable gap exists between the average length of vacation taken by employees and the maximum allowable to long-service employees. Correspondingly, an increase from 2 to 3 weeks (or from 3 to 4 weeks) in the maximum vacation period will not produce an increase of a full week in the average vacation taken, since at any one point in time only a small proportion of workers will be eligible for the maximum vacation.

Thus, if attention is concentrated upon the maximum periods of vacation specified, a misleading impression may be created of the extent to which annual vacation benefits have been liberalized. For most vacation plans existing today, a substantially greater increase in realized paid vacation time would probably be brought about by a drastic reduction of eligibility requirements for receipt of the maximum vacation than by a further increase in the maximum, unaccompanied by change in eligibility conditions.

Vacation plans, of course, vary greatly in their qualifying terms. Some of the most common patterns of eligibility requirements, however, are described in the surveys that have been previously cited. These surveys demonstrate the still-dominant tendency to restrict the 3-week or more vacation to the long-service worker.

The Bureau of Labor Statistics 1961 study of graduated vacation plans in major collective bargaining agreements found that a large majority of these plans required 10 to 15 years of service in order to qualify for a 3-week vacation. Of those plans which provided a maximum of 3 or more weeks, less than 10 percent allowed the worker to become eligible for a 3-week vacation before he had accumulated 10 years of seniority. Thirty-six percent required 10 years of service, 40 percent required 15 years, and virtually all the remainder required some period between 10 and 15 years.[27]

In those graduated plans which provided a 4-week maximum, the most common qualifying period in the 1961 BLS survey was 25 years, followed at some distance by 20 years. Fifty-two percent of these plans required 25 years of service, and 32 percent required 20 years. Less than 3 percent allowed the worker to qualify for a 4-week vacation in 10 years or less.[28] Clearly, the 4-week vacation is still seen as a benefit to be deferred until very late in the worker's career.

The BLS survey of vacation benefits for workers in 18 major metropolitan areas in 1961–62 also shows the long period of employment usually required for 3 weeks of annual vacation—and the much longer period required for 4 weeks. Of the plantworkers covered by vacation plans providing a 3-week or greater maximum, less than 15 percent could qualify for the 3-week vacation after 5 years of service. An additional 33 percent, approximately, were eligible after 10 years of service.[29] The remainder, slightly more than one-half of the total, qualified only after 15 years of service.[30]

[27] U.S. BLS Bulletin 1342, p. 6. (Same reference as for footnotes 19, 22.)
[28] Idem.
[29] This includes a small proportion of workers under plans which entitled them to a 3-week vacation after less than 10, but more than 5 years of service.
[30] Again, a relatively small part of this remainder was composed of workers qualifying after more than 10 but less than 15 years.

With respect to the 3-week vacation, this BLS survey found that eligibility requirements for officeworkers, by 1961–62, were not markedly more liberal than those for the blue-collar plantworkers. About 15 percent of the officeworkers under plans with 3 weeks or more maximum qualified with 5 years or less of service, an additional 40 percent qualified after 10 years, and the rest—about 45 percent—after 15 years. For officeworkers, as well as for plantworkers, an annual vacation of 3 weeks or more was generally attainable only after long service to one employer.

Likewise, no great difference in treatment of officeworkers, compared to blue-collar plantworkers, appears upon analysis of the BLS findings concerning eligibility for 4-week vacations in its 1961–62 study of the 18 major metropolitan areas. As previously noted, a substantially higher proportion of officeworkers—47 percent—than of plantworkers—32 percent—were under vacation plans with a 4-week maximum. For both categories of workers, however, many years of service were required normally to qualify for the maximum. Of those covered by such plans, slightly less than 10 percent of both plantworkers and officeworkers were eligible for the 4-week vacation with 15 or fewer years of service. Cumulatively, half the plantworkers and about 40 percent of the officeworkers qualified with 20 years or less. The remainder—approximately 50 percent of plantworkers and 60 percent of officeworkers—were eligible for the 4-week vacation after 25 years of service.[31]

To conclude this presentation, information developed by the 1965 National Industrial Conference Board study can be cited as portraying the vacation eligibility requirements currently prevalent among a good-sized sample of the largest American corporations. More than nine out of ten of these surveyed corporations, as has already been stated, provided maximum vacations of 3 weeks or more in 1965. Of those that did, however, only about 8 percent allowed their employees to qualify for the 3-week vacation with 5 years of service. Almost 60 percent required 10 years of service—this being by far the most common eligibility condition. Almost all of the remainder gave the 3-week vacation after 15 years of service.

To qualify for a 4-week vacation, employees of the corporations surveyed by the NICB had to accumulate many years of seniority. Less than 5 percent of the corporations which provided a 4-week maximum gave it to workers of 15 years' service. Approximately 45 percent required 20 years of service, and the remaining 50 percent required 25 years. Thus, eligibility requirements for the 4-week vacation, in this 1965 sample of large corporations, proved to be very similar to those found in the Bureau of Labor Statistics' earlier and larger-scale survey of vacation benefits for workers in major metropolitan areas.[32]

---

[31] The fact that 20 years, rather than 25 years, was the qualifying period for a somewhat higher proportion of plantworkers than officeworkers—of those under 4-week maximum vacation plans—has an implication for future developments. The large majority of plantworkers under such plans have had their vacation terms established through collective bargaining, while most officeworkers have vacation benefits granted them unilaterally by employers. Unions have not as yet extended the 4-week maximum to as large a proportion of blue-collar workers as of officeworkers. But, this BLS survey indicates that when unions have negotiated a 4-week maximum, they have tended to institute a more liberal length of service requirement than have employers, in providing this benefit to their nonunion office employees. Collective bargaining then, may well set the pace for reductions of years of service typically required for a 4-week vacation, for nonunion as well as unionized workers.

[32] National Industrial Conference Board, op. cit.

Summary

This examination of the current status of paid vacations in the United States has shown that there has been a very widespread movement, in the years since the end of World War II, toward adoption of the 3- and 4-week vacation, for both white- and blue-collar workers. American employers have generally abandoned the vacation pattern that had been most typical of the immediate prewar years: 2 weeks for office employees, and 1 week for plant employees. The labor movement has not officially, so far, pronounced the extended vacation to be one of its major goals, and other fringe benefits have attracted much more attention than have paid vacations from analysis of postwar trends in collective bargaining. Yet unions have, in fact, been working persistently to liberalize the provisions of collectively bargained vacation plans and make 3-week or longer annual vacations available to an increasing proportion of union members. In so doing, they have certainly helped to speed up the rate of adoption, by nonunion employers, of such longer vacation periods in their unilaterally established vacation plans. Although the proclaimed target of the American labor movement has, for some years now, been the shorter workweek, the effective thrust of collective bargaining in the postwar period has thus far been more in the direction of cutting annual working hours through liberalized vacations than achieving a widespread breaking down of the standard 40-hour week.

The great wave of conversions of vacation plans to 3-week and 4-week maximum vacation periods has not, however, actually brought these longer vacations to a very large proportion of workers. At any given time, long-service eligibility requirements bar most employees in American industry from receipt of an annual vacation of more than 2 weeks. Indeed, the present situation has an anomalous quality. On the one hand, the incorporation of the 3-week or longer vacation in a large majority of vacation plans offers strong evidence of a broad consensus that such a vacation period is an important, desirable employee benefit. But on the other hand, there is still an entrenched reluctance to extend this important and desirable benefit beyond the limited circle of those workers who have put in many years of service with one employer.

BROADENING THE COVERAGE OF THE 3-WEEK-OR-MORE VACATION: THE ISSUES INVOLVED

What would be the impact of Federal legislation which required all American employers in interstate commerce to give each of their employees a paid annual vacation of, say, 3 weeks? In any one year, how many workers who would otherwise have received vacations of less than 3 weeks would gain an additional week or two of vacation? How many who would have received no vacation at all would now enjoy a paid vacation? What would be the increase in total vacation time paid for by employers, and to what extent would this increase push up the aggregate labor costs incurred by American private industry?

Precise answers cannot be given to these questions, and estimates of the probable increase in paid vacation time will vary according to the assumptions that are made about such matters as: the qualifying

period of work which the law would stipulate for entitlement to any period of vacation, the extent to which the law would provide for pro rata payments for accumulated but unused vacation time to employees leaving a firm through resignation or discharge, and the extent to which employers outside the scope of the Fair Labor Standards Act would come under trade union and labor market pressure to adopt or liberalize their own vacation plans if substantially improved vacation benefits were required by law for the majority of firms under FLSA coverage. It seems clear, however, that the chief thrust of such Federal legislation would not be to make paid vacations available for the first time to a large proportion of employees, but instead would be to enable the American worker to enjoy the benefit of a 3-week-or-more annual vacation without being forced to wait until he has built up 15 or 20 years of service with one employer—if indeed, he ever manages to accumulate such a period of continuous service. The primary issue here is not that of establishing the 3-week-or-more vacation, since it is now very widely accepted in American industry, but of legislative action to assure that it is actually received by the bulk of the Nation's workers.

Why should the extended vacation be withheld from the worker who has not acquired many years of seniority? Although this is the general practice, no well-developed rationale exists to explain or justify it. It is not self-evident that this particular fringe benefit—the vacation of 3 weeks or more—has a unique quality which makes it appropriate only for the long-service worker. It is true, of course, that an employer's total labor costs will be less if such vacations are confined to his high-seniority employees, rather than received by his entire work force. But his labor costs would also be less if coverage under the firm's group life insurance and health insurance plans, or paid holidays, or supplemental unemployment benefits, or paid sick leave were restricted to just those employees with 10 or 20 years of seniority.

Aside from cost savings to the employer, reasons for the striking disparity in treatment between short-service and long-service employees with respect to the paid vacation fringe benefit are not readily presented. For example, the longer vacation for the older employee has not arisen from a need to protect his health. A shrinking proportion of the jobs in our economy are so physically demanding that an older worker, otherwise in good health, is likely to become exhausted in performing them. And, if a job is physically overtaxing for an older worker, an extra 1 or 2 weeks of vacation each year is hardly calculated to undo the damage done to his health in the remaining 48 or 49 weeks. As for the mental and emotional strains that may be incurred in a job, no compelling evidence has been gathered to demonstrate that these strains are more severe for the worker in his forties, fifties, or sixties, than for the younger worker. In any case, the worker who qualifies, under typical current vacation plan provisions, for a 3-week-or-more vacation is not necessarily an "older" worker. Before he has reached the age of 40, a worker may have acquired 15 or 20 years' seniority with one employer, and thus become eligible for an extended annual vacation.

Other conceivable explanations for the practice of confining the longer vacation to high-seniority employees also appear implausible. There are no evident grounds for believing that the capacity of a worker and his family to enjoy a longer annual vacation grows as the

worker gains seniority in his job, or that such a vacation possesses some special utility for older workers that it does not have for the younger. Likewise, little weight can be given to the argument that the lure of an extended annual vacation is a highly potent device for aiding an employer to cut labor turnover and hold on to his employees. Desirable as 1 or 2 additional weeks of vacation may be, very few workers will be inclined to reject opportunities to shift to substantially better paying or generally more attractive jobs merely because a job change would wipe out the seniority built up toward eligibility for a longer vacation. An employer's nonvested pension plan may "lock in" his long-service employees, but a 3- or 4-week vacation will not.

In summary, then, the denial of a 3-week-or-more annual vacation to all but that minority of employees who have completed many years of service with one employer is a practice difficult to account for on grounds other than the fact that it simply involves less of a financial burden upon employers than would general employee eligibility for such a vacation The basic issue, to which analysis inevitably returns, is: cost.

Cost of a Required Annual Vacation

How substantial an increase in labor cost would an employer incur if he should be required by law to provide a paid annual vacation of not less than 3 weeks to each of his employees who has accumulated 1 or more years of service?

For each employer, the answer would depend primarily upon his present vacation practices, the proportion of his employees (if any) already eligible for 3-week-or-longer vacations and the proportion with less than 1 year's seniority. The percentage increase in labor costs would vary widely, among the Nation's employers.[33]

The statistical information that would be needed for a firm estimate of the cost impact of a legally required 3-week vacation is not available. But illustrative calculations can satisfactorily indicate the general order of magnitude involved. Assume, for example, that a worker is currently employed throughout the year, on a 40-hour week, and that he receives eight paid holidays a year and a 2-week annual paid vacation. He receives pay, therefore, for 2,080 hours per year, but his number of hours actually worked is 1,936. If his employer should now be required, by law, to increase his annual vacation to 3 weeks, the worker would continue to receive pay for 2,080 hours, but his number of hours worked would drop to 1,896. For the employer, this would mean that his cost per hour actually worked by the employee would rise by approximately 2.1 percent.

Similar calculations can be made for the cases of employees currently receiving 1 week of vacation, or no vacation. As before, assume, in each case, that the employee is paid for 2,080 hours per year, and receives eight paid holidays.

The employee whose annual vacation is increased, by law, from 1 week to 3 weeks has his number of hours at work reduced from 1,976 to 1,896. This reduction is the equivalent of an increase of approximately 4.2 percent in the cost, to the employer, of each hour actually worked by the employee.

[33] Likewise, of course, the percentage increase in labor costs imposed by an upward revision in the minimum hourly wage prescribed by the Fair Labor Standards Act will vary greatly, from one employer to the next. The purpose of the act is to maintain currently appropriate minimum standards, which denotes that the act will affect most markedly those firms on the lower side of the national wage structure.

Finally, if the employee is one of that small minority in American industry not yet covered by an annual vacation plan, a requirement that he receive a 3-week vacation would reduce his hours worked from 2,016 to 1,896. His employer, therefore, would incur an increase of approximately 6.3 percent in the cost of each hour actually worked by the employee.[34]

In view of these calculations, what is the average percentage increase, in cost per employee hour worked, that a typical American employer would seem likely to incur as the result of a legally established minimum 3-week annual paid vacation? A plausible estimate would yield a figure in the neighborhood of 3 percent. The most common length of vacation now received by employees is 2 weeks. On opposite sides of this large model group, the number of employees currently receiving less than 2 weeks of vacation is offset, to at least a large degree, by those receiving 3 weeks or more. It is very unlikely, accordingly, that the average increase in cost per employee hour worked could greatly exceed the approximately 2-percent increase that would result if every employee had been entitled to exactly 2 weeks' vacation, before the enactment of a 3-week-minimum standard. Therefore, an estimate of 3 percent, as the upper limit of the probable cost increase to American employers in the aggregate, can be strongly supported.[35]

The estimate just developed, though it is admittedly rough, indicates that the added cost to American employers from the introduction of a 3-week annual vacation standard would be about the equivalent of 1 year's round of wage increases. The President's Council of Economic Advisers is currently advocating a noninflationary wage "guidepost" which prescribes a rate of increase in wages, averaged over the American work force, of approximately 3.2 percent per year. And, in actuality, the average annual rate of increase has been somewhat less than this, in recent years. If, then, a minimum 3-week paid annual vacation were to be legislated, the aggregate cost to American employers would be about the same as that of 1 year's wage increase at a pace conforming to the Council's 3.2 percent "guidepost." The price, therefore, of establishing such a minimum vacation standard is relatively modest—one that could be met out of the increase in the

[34] For simplicity and comparability, each of these calculations has assumed eight paid holidays a year in addition to whatever annual paid vacation an employee may receive. (Currently, the number of paid holidays most commonly provided by American employers is from six to eight.)

[35] A recent study by the Bureau of Labor Statistics of costs of vacations and other fringe benefits provided to nonproduction employees, i.e., employees classified into such categories as clerical, technical, professional, and administrative, showed that a higher proportion of these employees were actually receiving 3 weeks or more vacation, in the large sample of firms studied, than receiving no vacation or less than 2 weeks' vacation.

It is true that nonproduction employees, as a group, receive longer average vacations than production workers. Even when allowance is made for this difference, however, the study adds weight to the argument that a 3-week-minimum vacation requirement almost certainly would not push up labor cost per hour worked by more than 3 percent.

Analyses furnished by the BLS, at the request of the select subcommittee, also indicate the reasonableness of a figure of approximately 3 percent. The Bureau prepared two alternative estimates of the impact of a mandatory 3-week vacation on the amount of vacation time actually taken by production workers in manufacturing.

These estimates in turn can be translated into a range of about 2.5 percent to about 3.2 percent for the probable increase in labor cost per employee hour worked. Since the percentage cost increase for production workers in manufacturing would not be expected to be lower than for the aggregate of employees in American private industry, the overall estimate of approximately 3 percent can derive additional support from this analysis. (U.S. Bureau of Labor Statistics, "Supplementary Compensation for Nonproduction Workers, 1963," Bulletin 1470, Government Printing Office, 1965, p. 53; special tabulation furnished by BLS to select subcommittee, 1965.)

wage bill that rising productivity would normally justify in a relatively short period.[38]

This analysis has thus led to two conclusions. First: The employer's desire to keep down labor costs is by far the most plausible explanation for the current practice of withholding the 3-week or longer vacation from workers who have not accumulated many years of continuous employment with one employer. Second: the cost to employers of Federal legislation making almost all regular full-time employees eligible for 3 weeks annual vacation, would not actually be very burdensome. It would just approximate the increase in cost, per employee hour worked, that most employers would incur in 1 year from the wage increases they regularly negotiate with unions or grant unilaterally.

Vacation Practices and Legislation Abroad

In developing public policy recommendations, it can be instructive to examine the approaches taken by foreign countries to the problems or issues under consideration. The question of instituting a legally required minimum paid annual vacation in the United States calls for a look at vacation practices and laws abroad. These will be described and analyzed, therefore, for a sample of Western nations whose levels of industrialization, education, and per capita income are comparable enough to those of the United States to make their experience particularly relevant for American policymakers.

The nations surveyed are drawn from Western Europe and the British Commonwealth. They are: Austria, Belgium, Denmark, Finland, France, Western Germany, Ireland, Italy, the Netherlands, Norway, Sweden, Switzerland, Great Britain, Australia, New Zealand, and Canada.

Historical Development

As in the United States, paid vacations in the Western nations included in this survey were first extended, by unilateral grant of employers, to select groups of salaried employees. By the middle of the 19th century, vacations were often provided for the executive staffs of business firms, commonly during the Christmas or Easter seasons or during slack periods of business in the summer months.

At the beginning of the 20th century vacations were still confined almost entirely to government officials and civil servants, and to some of the salaried personnel in private industry. Vacations for blue-collar workers were virtually unknown, outside of a relatively few "family" business concerns in Britain, Germany, and Austria, which had now begun to give their older workmen, with many years of service, a few days off each year with pay. Such vacations for a few manual workers were seen as a kind employer's beneficent way of

[38] A simple example can illustrate the analysis used here. Assume that an employer's present vacation practices and seniority composition of his work force are such that a legally required 3-week minimum vacation would increase his labor cost per employee hour actually worked by 3 percent. Consider two alternatives over a period of, say, 5 years: (1) No wage increase in the initial year, but the establishment of a minimum 3-week vacation, followed by a wage increase of 3 percent in each of the following 4 years, (2) a wage increase of 3 percent in each of the 5 years, with no change in paid vacation practices over the period. Either of these alternatives will produce for this employer, at the end of the 5-year period, an essentially identical labor cost per employee hour actually worked.

If labor productivity (output per man-hour) rises at an annual average rate of 3 percent over this 5-year period, either alternative will also leave the employer's unit labor cost virtually unchanged. That is, such a rise in productivity would allow either alternative to be chosen, without upward pressure on labor cost per unit of output.

rewarding his longest and most faithful retainers. There was no recognition of a worker's "right" to a vacation, nor of the possibility that broad social and economic benefits might flow from a general extension of the annual vacation practice.

In the early 1900's however, some British and European unions began to demand paid vacation time for the members. As a result, by 1914 provisions for vacations for manual workers had been incorporated into a number of the collective bargaining agreements in such British industries as railroads, public utilities, and newspaper printing. A few collective bargaining agreements with paid vacation clauses had also been negotiated in Belgium, the Netherlands, Norway, Sweden, Switzerland, and probably two or three other Western countries. But vacations were still rare within the blue-collar work forces of these countries—although less rare than among American wage earners.

After the First World War, however, a large gap developed between European and American blue-collar workers with respect to annual vacations. American unions lost membership and strength in the early 1920's, and barely managed to hold their own through the remaining years of the decade. They made only modest progress in negotiating higher wage rates and virtually no progress in winning fringe benefits. In a number of European countries by contrast, the trade unions campaigned very vigorously after 1918 to extend vacations to their members and to manual workers generally. The paid annual vacation, which had received little attention from European unions before the war, became one of their most important goals in the period from 1919 to the middle 1920's. Much of the impetus apparently came from a determination to chop away at the traditional class distinction between the white-collar and blue-collar employee. As one observer explained, "The democratic ideals widely proclaimed during the war period served to heighten the workers' sense of a right to the privileges of other classes," in particular, "the vacation privileges of the salaried classes." Probably more important, trade unions in most European nations—unlike American unions—enjoyed greater political influence and bargaining power in the 1920's than they had before 1914.

The drive for paid vacations was conducted on both the legislative and the bargaining fronts. Though its results were not dramatic, they added up to a substantial achievement in a period when the vast majority of American blue-collar workers were still excluded from the benefits of such vacations. By 1926, legislation requiring employers to give vacations had been enacted in a number of European countries. Some of these laws had limited coverage, but others were general in scope. Denmark, Italy, Spain, Luxembourg, and Switzerland, for example, paid vacations were provided by law only for workers in certain industrial categories, while Austria, Finland, Czechoslovakia, and Poland had passed legislation requiring that paid vacations be granted to virtually all wage earners.

By the middle of the 1920's, also, provisions for paid vacations had been incorporated into collective bargaining agreements covering substantial proportions of the union members in a large group of countries. They were reported to be widespread in Germany, Norway, Sweden, Switzerland, the Netherlands, and Italy, as well as in Australia, and the Union of South Africa, among British Com-

monwealth nations. In Great Britain an estimated 1.5 million workers were covered by union-management agreements which provided paid vacations, though the bulk of British union members had not won this benefit.

During the remainder of the 1920's and up to the outbreak of the war in 1939, there was little further legislative action in Europe or the British Commonwealth to extend paid vacations. After the Second World War, however, there was a major development of such legislation. The principle of the worker's right to a paid vacation was written into the Universal Declaration of Human Rights adopted by the General Assembly of the United Nations. During 1946–49 and the early 1950's many countries of the world enacted vacation laws, so that by 1952 vacation legislation, in one form or another, existed in more than 50 nations.[37] In 1954, the International Labor Organization adopted a new recommendation on vacations with pay, updating the resolution which the ILO originally adopted on this subject in 1936. Since the middle 1950's, a number of vacation laws passed early in the postwar period have been liberalized and extended in coverage. Meanwhile, through collective bargaining many unions have continued to negotiate vacation provisions with more favorable terms than the minimum requirements laid down by the laws of their respective countries.

CURRENT LEGISLATION AND PRACTICE: INDIVIDUAL WESTERN EUROPEAN AND BRITISH COMMCNWEALTH COUNTRIES

A country-by-country analysis of the current status of paid vacations in each of the countries selected for this survey will be presented, followed by a summary statement of the more commonly [38] prevailing tendencies revealed by this analysis.

1. Austria

Austria was a pioneer in the movement to enact vacation legislation, having passed its Workmen's Annual Holidays Act in 1919. Amendments to this act and additional legislation, chiefly since 1945, have given Austria one of the most elaborate sets of vacation laws in Europe.

The general vacation law in Austria requires that each worker who has been employed for at least 1 year be given an annual paid vacation of 3 weeks—with a further stipulation that the minimum annual vacation be lengthened to 4 weeks for workers with 15 years' employment.[39] It also provides that a worker who is discharged before he has taken his vacation during a year must receive a pro rata payment in

[37] This count includes Communist as well as non-Communist nations.

[38] The material presented here was gathered and analyzed by Dr. James R. Wason, of the Legislative Reference Service, Library of Congress, primarily from such sources as the International Labour Office, and the Division of Foreign Labor Conditions, U.S. Bureau of Labor Statistics. Since the laws being summarized are typically quite detailed, and contain exceptions and special provisions for certain industries and categories of workers, it is not feasible in this report to describe these laws completely or to note every exclusion from coverage or other exception to the general vacation legislation of each country. For each country, therefore, the account given of its vacation laws will present those provisions which apply to the broad majority of employees in the private sector. It should be understood that it has been necessary to sacrifice some precise detail in order to develop a reasonably succinct and clear picture of prevailing vacation legislation and practice in the countries selected.

[39] Since the 6-day and 5½-day week is still common among the countries surveyed, a legal requirement of a paid vacation for a specified number of working days is translated in this report into a requirement for a number of weeks of vacation, on the basis of 6 days as equivalent to 1 week. In Austria, for example, the requirement of 18 days' paid vacation is reported here as a requirement of 3 weeks.

lieu of the vacation time eligibility he has accumulated.[40] This provision counteracts any temptation an employer might feel to fire an employee before he has received his annual vacation.

The general Austrian vacation law covers the large majority of, but not all, categories of private employment. The principal exclusions are agriculture and forestry, the building trades, and domestic service. However, special legislation has been enacted on behalf of workers in certain of these categories. A law, for example, requires that domestic servants be granted a 2 weeks' annual vacation after 1 year of continuous employment with a family, and 4 weeks' annual vacation after 2 years. In addition, the law requires the employer to pay the domestic servant a stipulated "holiday supplement"—an extra sum of money, over and above the regular cash wages due for the period of vacation. This supplement, as well as the regular wages, must be paid in advance, at the time the servant begins the vacation. This requirement of "holiday supplement" pay is in recognition of the fact that many domestic servants "live in," receiving much of their compensation in room and board rather than in cash alone, and therefore find it difficult or impossible to finance an annual vacation from their regular cash wages.

The most important of the special Austrian vacation laws was passed shortly after World War II. This is the Building Workers' Leave Act of 1946, providing vacations for a major group of workers with irregular, discontinuous employment. As recently amended, it entitles each workman in the building industry to a 3-week paid vacation after each period in which he has had 46 weeks of employment. Under an earlier law, when a worker's cumulative total of employment in the building industry had reached 230 weeks—which is the equivalent of 5 years, calculated on the basis of 46 working weeks per year—he became entitled to a 3-week paid vacation for each 46-week period of employment. And, after 690 weeks—that is, 15 years—the paid vacation was increased to 4 weeks for each 46 weeks of work. This same scale based on seniority appears to have been continued under the latest amendment.

Since a building tradesman frequently works for a number of different employers during any year, the Austrian law established a building workers' leave fund, from which the workers receive their vacation pay. Each building industry employer must make periodic payments into this fund on the basis of the number of man-weeks of employment put in by his work force.

This quite detailed Austrian law is designed to assure that building industry workers do, in fact, go on vacation—not merely draw cash payments for vacation periods to which they have become entitled, while they continue at work. The law stipulates that the building tradesman, whenever he has accumulated 46 weeks of work, must take his paid vacation (whether 2, 3, or 4 weeks) within the next 12 months, or else forfeit the unused vacation time.[41] Information has not been gathered concerning means for enforcing compliance with this provision of the law—but there is no reason to doubt that the vast majority of Austrian building workers actually take the vacations to which they are legally entitled, rather than attempting to

[40] If discharged 6 months after his current "employment year" has begun, but before receiving a 3-week vacation to which he would be entitled during that year, the Austrian worker must be paid 1.5 weeks' regular pay by his employer.

[41] If, "for any reason not attributable to the worker," he should be unable to take his full vacation during the 12 months immediately following his becoming eligible, the unused time is not forfeited. However, the worker must then take his vacation time "within 8 working weeks of the disappearance of the obstacle" (such as sickness) which had prevented his going on vacation. If not, he forfeits the unused time.

evade the law by staying at work and simultaneously collecting vacation pay.

In summary, Austria is a country in which the principle of assuring a substantial annual paid vacation to workers in almost all occupations is well established by law. There is apparently a wide consensus in support of this principle. When the general Austrian vacation law was recently liberalized, by amendments enacted in late 1964, the liberalization was reported to have been endorsed not only by the OGB (the Austrian trade union federation) but also by the national federation of Austrian employers.

2. Belgium

The Belgian law prescribing a minimum annual paid vacation was enacted shortly after the Second World War and has since been liberalized by successive amendments, the most recent in June 1966. Its coverage is broad, excluding only a few categories of employees—for example, domestic servants.

Under this law, beginning January 1, 1967, a Belgian employee is entitled to an annual 3-week vacation, if employed continuously throughout the year, or to a pro rata share of 3 weeks, according to the proportion of the year during which he had employment. He does not lose his entitlement to a vacation by changing employers during the year. Belgian employers make payments into a National Fund for Annual Vacations, from which workers are compensated when they take their vacations. The board of directors of this national fund is tripartite, with members representing the Government, organized labor, and Belgian employer associations. The fund's role is not limited merely to the collection and disbursement of vacation pay. In addition, it has such duties as advising the Belgian Ministry of Labor concerning ways to improve the system of annual vacations, stimulating and encouraging the development of facilities to enable employees to make the best use of their annual vacations, and promoting organized vacation arrangements for groups of employees.

The placing of such broad responsibilities upon the National Fund for Annual Vacations points up the fact that it is an important social goal in Belgium to assure that every worker possible actually takes an annual vacation. This social goal is also explicitly reflected in the language of the vacation law, which states that "It shall not be lawful for employees to forgo vacations to which they are entitled."

In December 1963, the three Belgian labor federations and the country's three major employer associations entered into a national agreement which provided that workers would receive a 3-week annual vacation, beginning in 1965. This agreement, since extended by law to most employees, illustrates the common ability of unions, through collective bargaining, to win benefits for their members in excess of the minimum level prescribed by law.[42]

[42] Actually, under certain circumstances, some benefits negotiated between unions and employers can become the level prescribed by law, in such countries as Belgium and Great Britain. The Belgian vacation law, for example, provides that the Government, at its discretion, may make legally binding upon all employers in an industry a decision by the industry's joint board to lengthen the paid annual vacation beyond the minimum established by law. Such industry joint boards, where they exist, have members nominated by employer groups and by unions with substantial memberships among workers in the industry. The decisions reached by such joint boards—which may then be made legally enforceable upon nonunion, as well as unionized, employers in the industry—are the result of a process closely related to conventional bargaining between unions and management.

Probably the closest approach in the United States to the practice of making terms negotiated between union and employer representatives binding upon nonunion employers is found in such legislation as the Davis-Bacon Act, which requires that not less than the prevailing level of wages and benefits must be paid by firms engaged in construction work under Federal contract. In practice, this requirement frequently compels a nonunion contractor, if he wishes to do federally financed construction work, to pay his employees the same wages and fringe benefits stipulated by agreement between the building trades unions and unionized contractors in his geographical area.

One of the outstanding features of the Belgian general vacation law is that it provides workers on vacation with more than their normal rate of pay. Employer contributions to the National Fund for Annual Vacations are set at a level which, at present, enables the fund to pay the worker twice his usual wages for a minimum 2-week vacation period; i.e., the worker going on vacation receives 4 weeks' pay for the first 2 weeks. This will be extended by the latest amendments to the law to 1½ weeks' pay for the third week in 1967, and double pay for the third week in 1968.

This provision of the law can be strongly supported on the grounds that an individual or family must incur greater than usual expenses in order to travel during a vacation period. By providing a generous amount of extra pay for vacationing employees, the Belgian law indicates that the nation's goal is not only to assure each worker an annual vacation, but also to encourage him to use this vacation to travel to the seashore or other recreational areas.

3. Denmark

The basic Danish annual vacation law was enacted in 1938. It was substantially amended and broadened in coverage in 1953. It is a very extensive statute in scope, covering virtually all Danish employees except civil servants and apprentices—for whom annual vacations are provided by other legislation.

The Danish law provides 18 days; i.e., 3 weeks of annual vacation for all full-year-round workers. The employee receives 1½ days' vacation credit for each part-month worked.[43] The worker is assured of receiving this credit under the Danish system for collecting and distributing vacation pay. Each employer is required to obtain from the post office a stamp booklet for each of his employees, and to stick vacation stamps into the booklet regularly throughout the leave year, which runs from April 1 to March 31. The employer purchases these vacation stamps from the post office, at a cost of 6.5 percent of the employee's wage or salary. When the employee's vacation time arrives, the employer endorses the stampbooklet over to him. The employee then cashes it in at the post office and receives vacation pay equal to 6.5 percent of his earnings during the leave year.[44]

Although the Danish worker receives the actual cash payment for his vacation from the post office, he is forbidden to draw this pay and continue at work. The law specifically states that every person entitled to leave shall be required to take the number of days of leave to which he is entitled, and the right to leave pay shall be forfeited for the entire period of the leave if the person undertakes work for remuneration during the time when he is on annual leave.[45] Even if it may be difficult to assure 100 percent compliance with this provision, the Danish vacation law emphatically expresses the nation's determination to prevent any worker's foregoing his annual vacation in order to earn extra income.

[43] Even if employed less than 1 month during the entire leave year, a Danish worker is entitled to receive a paid vacation of that proportion of 1 month he worked. The Danes have thus embraced without qualification the principle that a worker shall not be penalized by the loss of accumulated credit toward an annual vacation for changing employers during a year or failing to work at least a large part of the year.

[44] The Danish scheme gives the full-year-round worker approximately the same rate of pay on vacation as at work. If the employer pays him wages for 49 weeks of the year, and affixes stamps in his vacation booklet with a value of 6.5 percent of his 49 weeks' wages, his vacation pay for 3 weeks, upon cashing in the booklet, will be slightly greater than 3 weeks' wages.

[45] Section 7(3) of "An Act Respecting Paid Leave," March 31, 1953; Legislative Series—Denmark; International Labour Office.

The full-year-round Danish employee is guaranteed 3 weeks of annual vacation, but not necessarily in one consecutive stretch. The law provides that at least 12 days; i.e., 2 weeks of vacation must be given at one time, within the period from May 2 to September 30. The remaining 6 days, or 1 week, must also be given at one time, but may be in the other months of the year.[46]

It is quite common for manufacturing plants and some other types of establishments in Denmark to shut down entirely for a few weeks during the May–September period, while all employees take their vacations simultaneously. The governmental authorities are empowered to require a firm which adopts this practice to follow a rotation schedule specified in advance for several years at a time—e.g., to shut down during the first 3 weeks of August one year, the last 3 weeks of July the next year, and so forth. Before prescribing such a rotation schedule for a firm, the authorities must consult with the Danish Employers' Federation, the Danish Federation of Trade Unions, and any other organizations with members affected by the scheduling. This central control over the timing of annual shutdowns not only may assure workers of a more satisfactorily balanced distribution of vacation periods over a number of years, but can also help to reduce peak periods of congestion at beaches and other vacation areas.

4. Finland

The Finnish vacation law, as extensively amended in 1960, is similar in important respects to the Danish law. Its coverage is broad, with few exclusions.[47] The basic annual paid vacation, for full-year-round workers, is 3 weeks (18 days). The worker is entitled to 1½ days' vacation for each month worked. However, once he has been in the continuous service of one employer for 10 years, the law requires that he receive 2 days' vacation credit per month—or 4 weeks (24 days) for a full year's service. Finnish law thus gives the long-service worker an increase in vacation time such as is usually provided by collective bargaining agreements in the United States.

Finland, unlike Denmark, does not completely adhere to a rule of pro rata entitlement to vacation in accordance with time worked. An employee receives no credit toward an annual vacation for any months in which he was not employed at least 16 days.[48] The part-time worker and the worker who changes employers during the course of the year are protected, however. A part-time worker who normally is employed less than 16 days a month by one employer, but who works a total of 16 days or more for the employer during the year, must be paid—in lieu of an annual vacation—6 percent of his earnings for the year. Likewise, an employee who resigns or is discharged must be paid, upon termination of his employment, a sum equal to his accumulated vacation pay credit for the year—i.e., 1½ days' pay for

[46] There is some flexibility in the law's provision regarding vacation scheduling. Agricultural workers, for example, are guaranteed only 1 week of their 3 weeks' annual vacation during the warm months, May–September. And, in any other industry of a seasonal nature or with special characteristics that make it difficult to concentrate vacations in the May–September period, the director of factory and labor inspection may grant an exemption from the usual scheduling requirements. He may do so, however, only after consultation with the trade unions and organizations of employers in the industry.

[47] The main group explicitly excluded is merchant seamen, who are covered by a separate vacation law.

[48] The law counts toward these 16 days not only days actually at work, but other days such as national holidays and days on which the employee was temporarily absent on account of illness.

each month in which he had been employed 16 days or more, and 6 percent of his earnings for those months in which he had less than 16 days' employment.[49]

The Finnish law attempts to discourage anyone's working during his vacation. It authorizes the employer to deduct from vacation pay an amount equal to the earnings which he learns an employee is receiving from any work—including even self-employment—during the time when he is supposed to be taking his annual vacation.

As in Denmark, the law in Finland prescribes May 2 through September 30 as the "holiday season." It calls, as a general rule, for the entire 3 weeks' vacation to be taken at one time during this season—but does allow exceptions.[50]

As is frequently the case in European labor legislation, the Finnish vacation law makes specific reference to collective bargaining as an alternative or supplement to rules imposed by legislation. It states that "Employers' and workers' organizations whose sphere of activity comprises the entire country shall be entitled to enter into a collective agreement stipulating that holiday remuneration * * * shall be calculated in a manner other than that prescribed in this Act." This emphasis on employer associations and unions "whose sphere of activity comprises the entire country" reflects the much greater centralization of collective bargaining and reliance upon national industrywide negotiations in Finland, by comparison with the United States.

5. France

The basic French vacation law, as amended in 1956, provides a 3-week (18 day) annual vacation. The worker accumulates vacation credit of 1½ days per month worked. For very long-service workers, somewhat more liberal minimum periods of vacation are required by law. After 20 years of employment, the worker must receive 20 days of paid vacation annually; after 25 years 22 days; and after 30 years 24 days (i.e., 4 weeks).

In fact, however, the 4-week vacation—rather than the 3-week period legally required—is now the rule in France. The French labor movement in recent years has campaigned to have the vacation law amended so as to make 4 weeks the required minimum. Employers have resisted this legislative effort, but have apparently been less resistant to liberalizing vacations by negotiations with unions or unilaterally. A major breakthrough came at the end of 1962, when the Renault works—one of France's largest manufacturing operations—agreed to establish a 4-week vacation period, through collective bargaining. Other concerns followed, or were successfully pressured by unions, to follow, in the next few years. In August 1964, the National Council of French Employers recommended that the annual vacation be extended to 4 weeks through union-management negotiations. Thus it has recently been estimated that nearly 13 million French workers, 90 percent, have obtained the 4-week vacation through collective bargaining—and, in some cases, through brief strikes.

The annual month-long shutdown—particularly in manufacturing, but also in other industries—is a feature of the French economy which

[49] Unless the worker had at least 16 days of employment before his discharge or resignation, the employer owes him no vacation pay.

[50] Annual vacations, for example, may be scheduled outside the May–September months for workers in agriculture or other seasonal industries. And, "if it is necessary in order to prevent an interruption of the work or if the worker so consents," the annual vacation may be split into two or more periods, provided that at east 9 days (1½ weeks) vacation are taken at one time;

also reflects the tendency to extend vacations beyond 3 weeks. It is common in France to close manufacturing plants and certain other establishments for the entire month of August, which allows all employees to take their vacations simultaneously.

The French worker's rate of pay while on vacation is just a little above his usual rate. The vacation law specifies that a full-year-round worker, taking a 3-week vacation, shall receive a sum equal to one-sixteenth of his total wages in the qualifying period, which is ordinarily the 12-month period ending on May 31. One-sixteenth of a year's wages provides compensation, for a 3-week vacation period, slightly in excess of the worker's regular earnings for 3 weeks of work.

6. Western Germany (Federal Republic of Germany)

In Western Germany, until a few years ago, legally required annual vacations were provided by statutes in the various Länder (provinces or subdivisions of the state) rather than by national legislation. These Länder statutes were replaced in January 1963 by a national law—the Federal Leave Act.

The scope of this vacation law is very comprehensive, covering "any wage or salary earner" in the Federal Republic. The required minimum annual paid vacation, for full-year-round workers, is set at 15 days (2½ weeks). Upon the worker's reaching the age of 35, however, he becomes entitled to 18 days (3 weeks) of vacation.[51]

As is common in Europe, the German law prorates entitlement to vacation time on the basis of months of work. For each "full" month of employment, the worker acquires a credit for one-twelfth of the minimum annual vacation, or 1¼ days. If he resigns or is discharged from a job, he must be paid compensation for his accumulated vacation time credit.[52]

Although the German vacation law states that the annual vacation is to be taken in one continuous period, it waives this rule whenever "urgent operating requirements or personal considerations on the worker's part" necessitate the vacation being taken in two or more installments. The law also forbids a worker from engaging "in any gainful employment" during his annual vacation, but is silent on the subject of means of enforcing this prohibition.

The right of unions and employers to negotiate annual vacation plans is explicity recognized in the German law. The only qualification is that such collectively bargained plans must give the worker at least 15 days annual vacation and otherwise be no less advantageous to him than the conditions prescribed by the vacation law.

Collective bargaining has, indeed, helped to bring most German workers' vacations beyond the legal minimum. A study made by the West German labor federation (the DGB); and published in

[51] The 15-day minimum, in fact, applies only to workers between the ages of 18 and 35. The worker under 18 is required to receive 24 days (4 weeks) of vacation. Western Germany, like other European nations has special vacation legislation for young workers, based apparently on the assumption that the adolescent boy or girl needs a longer annual holiday from work than the adult employee.

Special German legislation also allows 3 to 6 additional days of vacation annually to disabled workers and to those classified as "victims of National Socialism"—i.e., the Hitler regime.

[52] A pro rata rule is not strictly followed, however. If a worker has been employed by a firm for at least 1 year, and his employment terminates in the second half of the calendar year, he is entitled to compensation for his full 15-day annual vacation, even though he may have also had a vacation in the preceding calendar year. He qualifies for the full annual vacation—even if his employment should terminate on July 1 of that year.

A provision of the German law exempts the employer under some circumstances from his obligation to compensate a departing worker for his accumulated vacation credit. The worker is entitled to no compensation if "he is dismissed through his own fault for any reason justifying his dismissal without notice," or if he quits his job "prematurely without sufficient reason," and is thus "guilty of a serious breach of the loyalty required of him under the employment relationship."

April 1965, reported that 70 percent of the manual workers surveyed and more than 40 percent of the white-collar workers were entitled to 21 days (3½ weeks) of annual vacation; that 27 percent of the manual and 40 percent of the white-collar workers had 22 to 24 days vacation; and that 3 percent of the manual and 7 percent of the white-collar workers had more than 24 days' vacation (4 weeks). As of May 1966, 7 million wage earners have secured 20 to 24 days of vacation annually through collective bargaining. A substantial gap has thus opened up between the vacation requirements laid down by law in Western Germany and the vacation practices generally prevailing. Recently, the DGB has been demanding even further liberalization of the vacation benefit. Its announced goal is a 5-week annual vacation for all workers 35 to 50 years old, and a 6-week vacation for those over 50.

7. Great Britain

In contrast to each of the countries discussed so far, Great Britain has no general national vacation law. For many British industries, however, "wages councils" have been established by law, and these councils are empowered to set minimum levels of wages and certain fringe benefits that are binding upon all employers. Each wages council is composed of representatives of employers and of workers in the industry—although almost all the industries with such councils are only weakly unionized—and the council's decisions and orders are, to a large degree, reached through a process of bargaining between the two groups of its members. The Wages Council Act authorizes each council to establish a vacation benefit for its industry, and the current practice of the councils is to require 2 weeks of annual paid vacation. Council orders generally stipulate that the vacation must be given during the months of April through September. They also usually protect the worker changing jobs by requiring that, upon resignation or discharge, he be paid for the time he has accrued toward his vacation for the year.

Though required by no law, annual vacations are also the rule in British industries and trades for which no wages council has been established. The large majority of union members are under collectively bargained vacation plans. So far, however, the British labor movement has been less interested than the American in winning progressively lengthened vacation periods. The usual vacation negotiated in unionized British industries is only 2 weeks, and no major drive has been launched to raise the general level up to the Continental European standard of 3 weeks or more.

Collective-bargaining agreements in Britain normally stipulate the period of the year when vacations are to be taken. They also usually give the worker who was not employed continuously throughout the year either a shorter period of annual vacation, or the full period but at a rate of pay less than his regular rate. Many of the agreements are multiemployer, or industrywide. Some major agreements—particularly those in the building industry—establish a vacation fund into which employers make weekly payments in accordance with the size of their payrolls, and from which the workers are paid when they go on vacation.

8. Ireland (Eire)

The general Irish law governing public holidays and annual vacations was updated in 1961. It covers the large majority of workers

in the private sector of the economy, with the major exception of such groups as agricultural workers (to whom a special law applies) and merchant seamen.

The minimal annual vacation required by the Irish law is 2 weeks. In contrast to the prevailing practice in the other countries surveyed, a worker does not need to be employed throughout the year to qualify for the full vacation. If he works 1,600 hours during the year—which is the equivalent of forty 5-day weeks, or about thirty-six 5½-day weeks—he is entitled to 2 weeks of paid vacation.

The Irish rule for prorating vacation credit to a worker who resigns or is discharged during a year also is based upon number of hours worked. Upon termination of his employment, the worker must be paid one-sixth of his usual weekly earnings for each month during the current year in which he was employed at least 135 hours. Thus an employee, for example, who had worked 6 such months would receive 1 week's vacation pay upon leaving his job.

A worker is forbidden by the Irish law to take any paid employment during the time of his annual vacation. Violation of this prohibition is even made a criminal offense, for which the Minister of Industry and Commerce may initiate a prosecution. The employer must give the full 2 weeks of annual vacation in one consecutive period, but exceptions are allowed in certain cases.

Full-year-round servants are also guaranteed 2 weeks of annual paid vacation under specific provisions of the Irish law. While on vacation, a domestic servant who normally lives in his employer's house and receives board and room, must be paid not only his regular cash wages but also a specified extra sum to help defray his living costs while away from his residence.

9. Italy

The Italian Constitution provides that all workers are entitled to receive a paid annual vacation. Commonly, the vacation terms for each industry are developed through collective bargaining or discussions between employer and worker representatives.

A fairly typical example of the Italian vacation benefit structure is provided by the metal trades industry. As of 1964, blue-collar workers in this industry were entitled to a 12-day (2 weeks) annual vacation after 1 year of service with an employer. After 5 years' service, the annual vacation rose to 14 days, and after 20 years' servive, to 18 days (3 weeks). However, foremen and certain other workers with special responsibilities were entitled to 15 days' annual vacation after 1 year, 20 days after 3 years, 25 days after 11 years, and 29 days (approximately 5 weeks) after 19 years. For salaried workers in the Italian metal trades industry, vacation terms were more favorable than for foremen, as well as for blue-collar workers generally. Salaried workers received 15 days' annual vacation after 1 year, 20 days after 2 years, 25 days after 10 years, and 30 days (5 weeks) after 18 years.

As shown by this example, Italy has adhered much more than other countries surveyed to the principle of a graduated vacation plan, in which the worker's annual vacation becomes longer as the length of his period of continuous service with one employer grows. Thus, Italy is exceptional among European countries, in that an Italian worker does usually suffer some real or potential loss of vacation benefits when he changes from one employer to another. Italy is also

exceptional in the extent to which its vacation practices apparently remain influenced by the once generally accepted tradition that the annual vacation for a salaried, white-collar worker should substantially exceed that granted to a manual worker.

10. The Netherlands

The Netherlands, unlike most Western European nations, has no general vacation law. Workers are expected to rely primarily upon their unions to bring them the benefit of a paid vacation. However, the Dutch Government has provided, by decree, that those workers not covered by collective bargaining agreements—a relatively small minority of manual workers—must receive at least 1 week's paid vacation (6 days) per year. In effect, therefore, an annual vacation is ultimately guaranteed by governmental authority to Dutch workers.

Collective bargaining agreements in the Netherlands typically provide a 3-week annual vacation. For workers with long service, they often specify 2 or 3 additional days. Dutch unions have thus deviated—but by no means so far as American unions—from a policy of an identical length of annual vacation for all workers, regardless of their accumulated years of seniority.

11. Norway

Norway's general vacation law, passed in 1947, provided a 3-week annual vacation. Successive amendments in the postwar period, the latest in 1964, have lengthened the vacation period to 4 weeks (24 days). Norway is thus a leader among European countries in the movement to assure an extended annual vacation to almost every worker.

The Norwegian law covers all wage and salary earners in private employment, including agricultural workers and domestic servants. As is characteristic of Scandinavian vacation legislation, the law specifies a "holiday season"—from May 16 through September 30—and requires that at least 3 weeks of vacation be given in one consecutive period during this season. The remaining week (6 days) must also be given at one time. As usual, however, exceptions are allowed. In agriculture and other industries with a seasonal peak in the summer, the worker is usually guaranteed only 2 weeks of his vacation during the May 16–September 30 period. Unions are also legally free to make collective bargaining agreements which schedule vacations for their members outside the holiday season, although few would have reason to do so.

Until recently, vacation pay was at the same rate as for time worked. It is now to be somewhat above this rate, since the 1964 amendments stipulated that as of May 1967, a worker will receive approximately 4½ weeks' regular pay for his 4-week vacation. For employees—such as many domestic servants—whose compensation includes room and board, a "reasonable allowance" must be paid in addition to the cash wage rate for those vacation days taken away from the employer's establishment.

Like Denmark, Norway has established a system under which the employer may have a "holiday book" for each of his employees—a booklet into which he affixes "holiday stamps" at least once a month. The employer purchases these stamps from the post office, and the worker cashes the stamp book in at the post office at the time his vacation begins. This system, of course, protects the owrker who

loses a job or changes employers, since the employer must turn the partially filled stamp book over to the worker, when the employment relationship terminates. The worker is thereby guaranteed pro rata vacation pay for time worked during the year. In contrast to the Danish practice, however, the "holiday stamp" method of payment is not normally applicable to regular, full-year-round employees—who usually draw their vacation pay directly from the employer at the commencement of the vacation.

An "annual holidays fund" has been established in Norway to administer the "holiday stamp" scheme. To discourage employers from making arrangements with their employees to bypass the annual vacation, the law requires that any vacation pay to which an employee is entitled, but which he does not draw because he forgoes all or part of his vacation, must be paid in by the employer to the annual holidays fund. The employee forfeits any part of his vacation—and the employer must correspondingly make payment to the fund—which he does not take within the "holiday year" (the 12 months beginning May 16) after he qualifies for it. If an employee dies, any accrued vacation pay must be paid to his estate.

Collectively bargained vacation plans, as an alternative to the statutory requirement, are explicitly recognized by the Norwegian legislation. The Government, at its discretion, may exempt from any or all provisions of the general law any group of employees covered by a collective bargaining agreement which gives them "at least as favorable" terms as the statutory minimum.

12. Sweden

The Swedish vacation law, like the Norwegian, provides a relatively long annual vacation. The law was passed in 1945, and its latest amendment—in 1963—increased the vacation period from 3 weeks to 3½ weeks (in 1964) and 4 weeks (beginning in 1965). The law covers all public and private employees, but the Government may make special regulations for certain groups of employees, in lieu of the provisions of the general law.

The employee is entitled to 2 days' vacation, during the current calendar year, for each month worked during the preceding calendar year. He earns the full 2 days' credit for any month in which he performed work on at least 15 days.[53] He receives one day's credit for any month in which he works at least 8 days, and no credit for less than 8 days' work.

The Swedish law calls for the 4-week annual vacation to be granted in one continuous period—but allows workers to agree with their employers to waive this rule. "As far as possible," the vacation must be given during the summer.

Upon termination of his employment, for whatever reason, a Swedish worker is entitled to receive payment for all days of accrued vacation. If, for example, he leaves his job after 6 months, the employer must pay him 2 weeks (12 days) wages or salary as compensation for the vacation he has earned.

Vacation pay in Sweden is at the same rate as the regular wage or salary, for any employee whose wage or salary is specified by the week, or a longer time period. Essentially, the same rate is also required for a worker who is paid by the hour or day, or on a piecework or com-

[53] The employee does not, in all cases, actually have to be at work on at least 15 days. Days of annual vacation are counted as days "on which work has been performed", and so also are days of absence from work on account of illness or pregnancy (up to 90 days in a year.)

mission basis. He is entitled to vacation pay, in the current calendar year, equal to 9 percent of his total straight-time earnings—exclusive of overtime premiums—during the preceding calendar year.[54]

The Swedish law states that "the employer shall decide when annual leave is to be taken"—a subject to the qualification that it shall be taken during the summer, so far as possible. In practice, the scheduling of vactions is commonly determined by employer negotiations with unions. Many manufacturing plants now follow the practice of closing down for the entire month of July. Reportedly, Swedish manufacturers have found an annual shutdown more efficient and manageable than the alternative of staggering 4-week vacations for their work forces throughout the summer months.

13. Switzerland

Effective February 1, 1966, Switzerland replaced her old federal factory law with a new federal work law. This added to the Swiss Federal Code of Obligation, a new article, guaranteeing everyone employed in Switzerland at least 2 weeks of paid vacation, annually. Apprentices under the age of 20, and all other young workers up to age 19, must receive 3 weeks of vacation.

This law replaces both the old law, which applied only to rail, transport, and communications workers, and also conflicting cantonal legislation. However, the cantons may require longer periods of vacation than the 2 weeks required by the federal law. At least four cantons, including the Canton of Geneva, now require at least 18 days of vacation, or 3 weeks. Longer periods may also be set by collectively bargained agreements.

The 2-week vacation must actually be taken, not just paid for. The law also requires that the vacation period be in consecutive days, not divided and taken at different times through the year. The new law affects an estimated 1.7 million workers, compared to the 760,000 who were under the previous law.

14. Australia

Although Australia has no general vacation law, its people place a high social value upon vacation time. Through collective bargaining or by unilateral employer decision, paid annual vacations are almost universally provided.

Many of the current vacation plans covering unionized Australian workers were initially established, or have been modified, by the national conciliation and arbitration commission. Australian law requires compulsory arbitration for labor disputes that unions and employers fail to resolve through negotiations, and during the postwar period the commission has handed down numerous arbitration awards concerning vacations. Initially, in 1945, the commission's awards established a pattern of 2 weeks' annual vacation, with 3 weeks for certain groups of white-collar workers and some manual workers with unusually long workweeks. In recent years, the pattern of arbitration awards has been shifting toward a general 3-week vacation and 4 weeks for special categories of workers. In 1963, for example, the commission awarded such a vacation plan to the metal trades unions,

[54] An employee who receives board as part of his compensation is also entitled to a "reasonable" amount in lieu of board for each vacation day he spends away from the residence provided him by the employer.

For purposes of this calculation, vacation pay is not counted as part of the earnings in the preceding calendar year. If, then, a worker receives 9 percent of his total earnings for 48 weeks (52 weeks less 4 weeks of vacation), his vacation pay will be approximately equal to 4⅓ weeks' average earnings.

representing one of the most important groups of unionized Australian workers. Government employees (commonly represented by unions in Australia) have also been generally awarded 3 weeks of annual paid vacation.

A unique feature of Australian legislation—which provides a large supplement to the total vacation time, during their working life, received by most workers—is the legally required "long service leave." Under National and State laws, as well as through decisions by the Conciliation and Arbitration Commission, the prevailing practice is to give this leave to a worker upon his completion of 15 or 20 years' continuous employment. The period of leave is normally 13 weeks (3 months) for workers in private employment, and 6 months for those employed by the Commonwelath (National) and State Governments. This "long service leave" plan gives the worker, at a point approximately one-third to one-half way through an average working career, an unusually long period of freedom from his work routine.[55]

15. New Zealand

Unlike Australia, its neighboring state in the British Commonwealth, New Zealand has a general vacation law. Its Annual Holiday Act, passed in 1944, guarantees workers a minimum of 2 weeks' annual paid vacation.

In contrast to most of the European countries surveyed, New Zealand has not amended its law in the postwar period to lengthen the required minimum period of vacation. However, the 2-week vacation no longer generally prevails. Through collective bargaining, unions in many industries have won 3 and 4 weeks' annual vacations for their members.[56]

New Zealand is closer to the United States than to most European countries with respect to the privileged vacation status provided the long-service worker. It is a widely followed practice to increase the worker's annual vacation after he has accumulated a certain number of years of continuous employment.

16. Canada

Canada enacted an Annual Vacations Act in 1958, but its coverage is confined to employees of the National Government and to some categories of workers in the transportation and communication industries. This act provides 1 week of annual paid vacation during the employee's first year of service and 2 weeks thereafter.

Despite the national law's limited coverage, the large majority of Canadian workers are legally guaranteed an annual vacation. Of the Provinces, eight have enacted vacation legislation. Coverage under these laws varies from Province to Province. Farmworkers are excluded in every Province. Domestic servants have the benefits of the vacation laws in Manitoba and Saskatchewan, but not in the other Provinces. In addition, each Provincial law has its own exclusions

[55] In the United States, to date, the closest approach to the Australian "long service leave" is found in the collective bargaining agreements negotiated by the United Steelworkers Union in recent years, which provide "sabbaticals" for long-service workers. These agreements typically call in each year for a stipulated proportion of the high seniority workers to be given approximately 3 months' leave with pay. After a worker has accumulated enough seniority to qualify, he will usually receive such a "sabbatical" about once every 5 years.

[56] The 4-week vacation in New Zealand has most commonly been established for workers with exceptionally long workweeks, and for workers—such as busdrivers and firemen—whose jobs keep them on call or subject to work at irregular hours.

from coverage—for example, janitors in Quebec, professional workers in Ontario and British Columbia, and salesmen in Alberta.

The Canadian Provincial laws also vary in the minimum period of annual vacation they prescribe, with the Western Provinces being substantially more liberal than the Eastern. In Nova Scotia, New Brunswick, Quebec, and Ontario, employers are legally required to give only 1 week of annual paid vacation. In British Columbia, Alberta, Saskatchewan, and Manitoba, the minimum vacation is 2 weeks. Saskatchewan, moreover, increases the worker's annual vacation to 3 weeks, after he has put in 5 years of continuous service with one employer.[57]

The vacation law in Alberta makes specific provision for workers in industries characterized by irregular or discontinuous employment—in particular, the construction industry. Employers in such industries are required to give their workers "vacation pay credit" stamps—at the rate of approximately one working day's vacation earned per month of employment. Even though he moves from one employer to another, a worker may thus accumulate enough "vacation pay credit" stamps in the course of a year to receive an annual paid vacation about equivalent to that of the worker in the full year-round service of one employer.

ANNUAL PAID VACATIONS IN WESTERN EUROPE AND THE BRITISH COMMONWEALTH: A SUMMARY VIEW

This survey of 16 nations has shown a widespread adoption of legislation which guarantees workers a minimum period of paid vacation each year. Of the 11 continental European countries studied, all have made it mandatory for employers to provide annual vacations.[58] The legally required vacation is not so overwhelmingly prevalent among the other five nations, in this survey, but it predominates in this group also. Three of the five—Ireland, and the Commonwealth nations of New Zealand and Canada—have vacation legislation of broad coverage. And each of the remaining two has a not insignificant proportion of its workers under vacation arrangements established with legal sanctions: Australia, through its "long service leave" legislation and awards of the Conciliation and Arbitration Commission; Great Britain, through orders of the wages councils appointed for numerous industries.

In the continental European countries, the modal vacation now appears to be 3 weeks, and the average vacation somewhat longer. Two countries—Norway and Sweden—are in the vanguard, with broad coverage laws requiring 4 weeks of vacation. Four—Austria, Denmark, France, Finland—have legal minimums of 3 weeks. Another—Western Germany—guarantees a majority of its workers, by law, at least 3 weeks of vacation. Belgium does not prescribe as much as 3 weeks in its vacation law, but its highly centralized collective bargaining system has recently made 3 weeks the prevailing vacation period. Only in three countries—Italy, Belgium, and the Netherlands

[57] As in the United States, of course, many workers in Canada are covered by collective bargaining agreements—usually negotiated by the same unions that represent American workers—which provide vacations of 3 or more weeks per year for high-seniority employees.

[58] Neither Italy nor the Netherlands, it is true, has a general vacation law. But the Netherlands, by Government decree, requires that workers not covered by collective-bargaining agreements be given at least 1 week's annual paid vacation. Italy, in its Constitution, proclaims the right of all workers to paid vacations, but does not specify a minimum period to be generally observed.

does the 3-week-or-more annual vacation appear to be less common than the 2-week vacation.

In the five English speaking countries, by contrast with continental Europe, the 2-week annual vacation still appears to be the norm. However, particularly through collective bargaining (and, in Australia, through awards under that country's compulsory arbitration law), the 3-week vacation practice has begun to spread in these nations also.

The custom of giving a minority of long-service employees the privilege of a longer period of vacation now has relatively little support abroad. In this respect, the prevailing foreign practice is in notable contrast to that of the United States. In those countries where 3- and 4-week annual vacations are required by law, they are generally given to all workers, regardless of length of service. In part, this may be due to the obvious administrative difficulties—for both the employer and the Government—that would be entailed by a vacation law with an elaborate set of differential benefits graduated according to the years of service of the individual employee. However, it also testifies to rejection, in most of the foreign countries surveyed, of the questionable proposition that a 3-weeks-or-more vacation is a reward only for the worker who has earned it through years of long and faithful service to one employer. In Scandinavia particularly, a long annual vacation—taken, whenever possible, during the summer season in these Northern countries—is so highly prized for its social and human values that it would be unthinkable to restrict it to a minority of high-seniority workers.

As a logical corollary to the treatment of short- and long-service employees alike with respect to the length of their annual vacation entitlement, vacation laws abroad usually make explicit provision for workers who are not continuously employed by one employer throughout the year. In this respect also, the foreign legislation deviates sharply from the custom in the United States, where an employer typically gives paid vacation time only to full year-round employees who have completed at least 1 year's service. As this survey shows, the customary practice abroad is to prorate the vacation credit—even for very short-term employees. Thus, a worker leaving a job during a year must be paid—in cash, or in stamps, if under a vacation book scheme—for an amount of vacation time proportional to the part of the year worked. This practice is based on the view that every employee is earning his annual vacation continuously as he works, and that there is no defensible reason for expropriating from some workers the vacation time they have so earned, merely because the nature of their occupations or other conditions, have caused them not to spend the entire year with one employer.[59]

A feature that is common to the large majority of the foreign vacation laws surveyed is their broad coverage of the labor force. They reflect a determination to assure the benefit of an annual vacation to every worker possible. The one striking point of difference with the United States, is that both agricultural workers and domestic ser-

[59] This view has support in the United States also, under certain circumstances. For example, when a business firm that is party to a collective bargaining agreement shuts down operations or moves its plant to a new location, thereby terminating the agreement, American courts have generally ruled, in such cases, that the employees covered by the agreement are entitled to a pro rata share of their annual vacation pay corresponding to the time worked during the year before their jobs were eliminated.
(See: David R. Levett, "Treatment of Monetary Fringe Benefits and Post Termination Survival of the Right to Job Security," Yale Law Journal, November 1962.)

vants—two groups of wage earners traditionally excluded from the scope of much of the labor legislation in this country—are treated equally with other employees under most vacation laws abroad.

The rate of pay stipulated by foreign legislation for a worker on vacation is typically the same as is customary in the United States; i.e., his regular, straight-time wage or salary. Approximately this rate is prescribed in some countries by a formula that makes the total pay for the annual vacation period a percentage of the employee's earnings for the year; e.g., 6.5 percent of earnings, for a vacation of 3 weeks. However, a broad trend toward paying vacationing workers more than their normal earnings may eventually materialize. Belgian law now requires pay at double the usual rate, for the first 2 weeks of annual vacation. And, in Norway and Sweden, unions have recently sought agreements from employers which would raise vacation pay, for a 4-week period, to 9.5 percent of annual earnings. Since one of the major purposes of the longer annual vacation is to afford workers and their families an opportunity to travel, it will not be surprising if a growing number of nations become converted to the view that an employee should receive more than his normal pay, if he is to be able to take proper advantage of his vacation time.

Finally, it is important to note, the prevalence of vacation legislation in these countries surveyed does not entail either the removal of vacation benefits from the scope of collective bargaining or the rigid imposition of uniform vacation practices on all industries and occupations. Vacation laws specify minimum requirements only—leaving employers and unions free to develop many varieties of vacation plans that meet or exceed these requirements.[60] As this report has pointed out, many vacation laws abroad explicitly refer to collectively bargained vacation terms as welcome alternatives or supplements to those imposed by law.

It is thus clear from this survey that a nation does not have to make a mutually exclusive choice between having vacation legislation or leaving the question of annual vacations entirely to be resolved by collective bargaining or unilateral management decision. On the whole, the organized labor movements in the 16 countries covered by this survey match the American labor movement with respect to proportion of workers unionized, bargaining power, or influence in national politics. Their support for the principle of vacation legislation has not been prompted by any impotence on their own part to win vacation benefits for their members, but arises instead from a conviction that such legislation is a socially beneficial means of assuring that an annual vacation is brought within the reach of virtually every worker.

APPENDIX: LEGALLY REQUIRED VACATION IN PUERTO RICO

The prevalence of legal requirements for vacations in the Western European and British Commonwealth nations discussed in this report is in marked contrast to the situation in the United States. However, legally required vacations can be found within the jurisdiction of the United States, in the Commonwealth of Puerto Rico.

[60] In some cases, liberalizing amendments to vacation laws appear to have been essentially legal codifications of changes in the prevailing terms under collective bargaining agreements; that is, as unions and employers have negotiated longer periods of annual vacation, legislators have followed by raising the legally required minimum.

Indeed, this study of foreign experience reveals that the formal structure of legally required annual paid vacations is commonly built on a preexisting structure of informal vacation practices. Vacation laws have not represented radical breaks with the past, but have grown out of the experience and customs of each country, as determined by collective bargaining and other influences.

In Puerto Rico, minimum wage boards have long been established for most industries. Subject to certain limits laid down by the U.S. Congress in the Fair Labor Standards Act of 1938 and its subsequent amendments, each minimum wage board is empowered to issue legally binding orders, for its industry, concerning minimum wages, maximum daily and weekly working hours, overtime premium pay, sick leave, and other terms of employment—including vacations.

A minimum period of annual paid vacation has, in fact, been ordered by the majority of the Puerto Rican minimum wage boards, and most Puerto Rican workers, therefore, now have legally guaranteed vacations.[61] The board orders prescribing vacations differ from one industry to the next, but they have tended to cluster fairly closely around a central pattern. The order applicable to the hotel industry, for example, is a representative one. The minimum wage board for this industry requires a 15-day annual paid vacation for each full-year-round employee. This period is the equivalent of 3 weeks, or 2½ weeks, depending upon whether the employee normally works a 5-day week. For every month in which he is employed as much as 120 hours—that is, an amount equal to three 40-hour weeks—the worker receives 1¼ days' vacation credit. If he resigns or is discharged, he must be paid for all unused vacation time he has accumulated—even though he may have been employed no longer than 1 month.

The board requires that the entire annual vacation be taken in one continuous period, but that it be scheduled "in such manner as not to interfere with the normal operation of the business." [62] The board's order is also designed to discourage any agreement in which the employee is persuaded or pressured to give up his annual vacation, in return for extra pay or any other inducement. All such agreements are declared to be unlawful and void. Furthermore, unused vacation leave is forbidden to accumulate for more than 2 years. If an employer does allow an employee's vacation entitlement to build up for more than a 2-year period, he will be ordered—upon being detected in this violation—to promptly place the employee on vacation for the total time accumulated, and also to pay the employee twice his usual wage or salary for each additional day of vacation time to which he has become entitled beyond that accrued in 2 years. This double pay requirement makes it more costly for the employer to let a worker's accumulated vacation credit grow for more than 2 years, than for him to clear his books on each employee at least once in a 2-year interval. [63]

A sampling of vacation clauses in Puerto Rican Minimum Wage Board orders for other industries shows that they generally have provisions basically comparable to those described for the hotel industry. They almost invariably protect the worker who leaves a

[61] One notable exception is the construction industry. Unlike most European countries, Puerto Rico has not yet developed an arrangement for providing portable annual vacation credits in this industry where workers move so frequently from one employer to another.

[62] The board thus gives the employer the option of selecting the times most convenient to him for his employees to go on vacation. In a tropical area such as Puerto Rico—as opposed to countries like Norway and Sweden—the giving of this option to the employer may entail very little disadvantage for the employee.

[63] The minimum wage board order for the Puerto Rican hotel industry entitles the worker, in fact, to be given his vacation every year. Only if he enters into an agreement, in writing, can his unused vacation time be accumulated by the employer for as much as 2 years.

This Puerto Rican rule would thereby allow a worker, if he and his employer agree, to take a 6-week vacation every 2 years, in lieu of 3 weeks every year. By contrast, some European vacation laws make it mandatory for vacations to be taken annually, and provide for forfeiture of any vacation time the worker fails of his own accord to use during the year in which it should be taken.

job during the year, by prorating his vacation entitlement and requiring the employer to pay him for his accumulated vacation credit. The rate at which vacation time accrues is typcially 1¼ or 1⅛ days for each month worked; that is, 15 or 14 days of vacation annually. Not all boards follow the hotel industry board in stipulating 120 hours in a month as the qualifying amount of employment to earn vacation credit. In some orders, the amount is specified as 110 to 112 hours, for example—or what constitutes a "month's employment" may be left undefined. Usually, the board orders contain the prohibitions found in the hotel industry against agreements whereby the employee waives his right to a paid annual vacation, and against the accumulation of unused vacation time for a period of more than 2 years.

This summary of the provisions characteristic of legally required annual vacations in Puerto Rico reveals an interesting feature: their close resemblance to certain provisions commonly found in European vacation laws. Puerto Rico, like most European countries, does not graduate the period of the employee's vacation according to his length of service. It considers the employee to have irrevocably earned a share of his annual vacation by each month he works, and requires him to be given all such accrued vacation pay upon termination of his job with any employer. It has established prohibitions and penalties aimed at assuring that workers actually take the vacations to which they are entitled, rather than continuing at work for extra pay. These points of similarity between legally required vacation provisions on both sides of the Atlantic suggest that these provisions have a wide appeal and that they would probably be given strong consideration for inclusion should vacation legislation be enacted in the United States.

○